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Message Text

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INFO OCT-01 EUR-12 EA-10 ISO-00 CIAE-00 COME-00
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FM SECSTATE WASHDC
TO AMEMBASSY PARIS
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AMEMBASSY STOCKHOLM
AMEMBASSY BRUSSELS
AMEMBASSY THE HAGUE
INFO AMEMBASSY COPENHAGEN
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TAGS:EWWT

SUBJECT:EUROPEAN PRESENTATION OF PAPER ON SHIPPING POLICY
AND NOTE ON ANTITRUST INVESTIGATION OF SHIPPING

REF: 77 STATE 263045

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1. AMBASSADORS OF FRANCE, FRG, SWEDEN, AND UK COMMERCIAL MINISTER ON MARCH 3 CALLED ON UNDERSECRETARY COOPER AND PRESENTED A 20-PAGE PAPER ON U.S. SHIPPING POLICY PREPARED BY THE CONSULTATIVE SHIPPING GROUP (CSG). PAPER ALSO REPRESENTS VIEWS OF FOLLOWING ADDITIONAL CSG MEMBER COUNTRIES: BELGIUM, DENMARK, FINLAND, GREECE, ITALY, JAPAN, NETHERLANDS AND NORWAY. EMBASSY REPRESENTATIVES ALSO PRESENTED DIPLOMATIC NOTE RESPONDING TO DEPARTMENT'S NOTE OF OCTOBER 31 ON THE GRAND JURY INVESTIGATION OF OCEAN SHIPPING (REFTEL).

2. CSG PAPER IS SUMMARY OF FAMILIAR EUROPEAN CONCERNS, INCLUDING THEIR BELIEF THAT A) U.S. REGULATION PREVENTS OPTIMUM USE OF NEW TECHNOLOGIES AND INTERMODALISM; B) CONFERENCE OPERATIONS ARE HAMPERED BY U.S. REGULATORY DELAYS AND UNCERTAINTIES; C) U.S. SHIPPING LAWS AND REGU-LATORY SYSTEM INFRINGE ON THEIR JURISDICTIONS; AND D) U.S. REGULATIONS CONTRIBUTE TO OVERCAPACITY AND MALPRACTICES.

IN PRESENTING CSG PAPER, FRENCH AMBASSADOR URGED THAT HIGH-LEVEL DISCUSSIONS OF THE PROBLEMS IT OUTLINES BE HELD IN WASHINGTON IN LATE MAY.

3. SPEAKING ON BEHALF OF FRANCE, BELGIUM, FRG, THE NETHER-LANDS, SWEDEN AND THE UK, FRENCH AMBASSADOR ALSO PRESENTED LIMITED OFFICIAL USE

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REPLY TO DEPARTMENT'S OCTOBER 31 NOTE CONCERNING ANTITRUST INVESTIGATION. BOTH NOTE AND ORAL PRESENTATION EXPRESSED REGRET OVER DEPARTMENT'S UNWILLINGNESS TO DISCUSS SPECIFICS OF CURRENT INVESTIGATION AND REQUESTED THAT DEPARTMENT NOTE THAT INVESTIGATION CONTINUES TO BE OF GREAT CONCERN TO THEIR GOVERNMENTS. THEY ALSO EMPHASIZED ASSUMPTION THAT THEY WOULD BE GIVEN OPPORTUNITY FOR FURTHER CONSULTATIONS BEFORE ANY CONCLUSIONS ARE REACHED IN INVESTIGATION. THEIR NOTE ALSO STATED THAT THEY WERE PREPARED "IN PRINCIPLE" TO ENGAGE IN GENERAL DISCUSSIONS OFFERED IN DEPARTMENT'S OCTOBER 31 NOTE, BUT BOTH EUROPEAN NOTE AND ORAL PRESENTATION LEFT LITTLE DOUBT THAT THEY WISHED SUCH DISCUSSIONS TO BE MERGED WITH BROADER CSG-PROPOSED DISCUS-SIONS.

4. FOLLOWING PRESENTATION, COOPER THANKED SPOKESMEN. HE INFORMED THEM THAT THE USG WOULD BE HAPPY TO HOLD DISCUS-SIONS IN MAY AND THAT INDIVIDUALS ON THE WORKING LEVEL WILL MEET TOGETHER TO TRY TO SET EXACT TIME AND AGENDA. HE INDICATED THAT WE WOULD HAVE TO CHECK TO SEE WHETHER THE DEPUTY ASSISTANT SECRETARY CONCERNED WILL BE AVAIL-ABLE IN MAY.

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5. MR. COOPER INDICATED SOME SURPRISE AT THE AMBASSADOR'S CHARACTERIZATION OF MALPRACTICES AND REBATING AS EXISTING ONLY IN THE U.S. TRADES AND SAID THAT HE HAD BELIEVED THEY EXISTED ELSEWHERE. IN RESPONSE, LORD BRIDGES OF THE U.K. CONCEDED THAT THE EUROPEANS' SPEAKING NOTE SHOULD HAVE SAID "IN PART. HE TOOK THE OPPORTUNITY, HOWEVER, TO OPINE THAT THE U.S. REGULATORY SYSTEM WAS THE CULPRIT SINCE IT PERMITTED OVERTONNAGING, THEREBY LAYING THE FOUNDATION FOR REBATING AND OTHER MALPRACTICES.

6. ON THE ISSUE OF THE DOJ INVESTIGATION, MR. COOPER TOOK THE OPPORTUNITY TO MAKE CLEAR ONCE AGAIN THAT WE CAN-
NOT AND WILL NOT DISCUSS SPECIFICS OF THE PARTICULAR
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CASE NOW UNDER INVESTIGATION BY THE DEPARTMENT OF JUSTICE. HE SAID THAT WAS "IMPOSSIBLE" UNDER OUR LEGAL SYSTEM. HE DID STATE, HOWEVER, THAT WE WOULD BE VERY WILLING TO DISCUSS THE OVERALL PROBLEM AS PART OF THE DISCUSSIONS IN

MAY. VANCE

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